

Contents

<i>List of Figures</i>	<i>page</i> ix
<i>List of Tables</i>	xii
<i>About the Authors</i>	xiii
<i>Preface</i>	xv
<i>Acknowledgements</i>	xvii
1 Introduction	1
1.1 Overall Feature/Intellectual Underpinnings	2
1.2 Relevance for Policy Institutions	5
1.3 Overall Content/Gap Bridging	6
1.4 Overall Structure/Value Added	6
2 Basic Concepts	8
2.1 Productivity	8
2.2 Factor Productivity	9
2.3 Production Function and Total Factor Productivity	15
2.4 Productivity and Growth Accounting	16
2.5 Firm Heterogeneity and TFP	22
2.6 Other Firm-Level Performance Measures	25
3 Productivity Estimation	36
3.1 Specifying the Production Function	36
3.2 Methodological Issues in Production Function Estimation	38
3.3 Estimation Strategies	41
3.4 From Theory to Practice	50
4 Measuring Market Efficiency	54
4.1 Allocative Efficiency	55
4.2 Concentration and Markup at the Firm Level	60

5	Sources of Data	64
5.1	EU Klems and WIOD	65
5.2	Orbis	68
5.3	MultiProd and DynEmp	70
5.4	EFIGE	72
5.5	The Competitiveness Research Network	73
6	Productivity and the Financial Environment	77
6.1	Introduction	77
6.2	Literature Review	78
6.3	Productivity and Financial Markets	85
6.4	Conclusion	102
7	Productivity and the Labour Market	106
7.1	Introduction	106
7.2	Literature Review	107
7.3	Productivity and the Labour Market	115
7.4	Conclusion	126
8	Productivity in a Borderless World	130
8.1	Introduction	130
8.2	Literature Review	131
8.3	Productivity and Trade	145
8.4	Conclusion	162
9	Productivity and Competitive Pressure	169
9.1	Introduction	169
9.2	Literature Review	171
9.3	Productivity and Market Power	185
9.4	Conclusion	193
10	Conclusions	199
10.1	The Firm-Level Perspective is Critical	199
10.2	Average Unit Labor Costs (ULC) Can be Misleading for Competitiveness Analysis	200
10.3	Financial Constraints have a Strong Micro Foundation	201
10.4	Smaller and Less Productive Firms are More Exposed to Exchange Rate Shocks	201
10.5	The Fear of Creating Zombie Firms did not Materialize	202
10.6	There is a Need to Preserve Well Functioning Global Value Chains (GVCs)	203

<i>Contents</i>	vii
10.7 In Europe Higher Firm Concentration	204
10.8 We Need Better and More Available Data	205
<i>Bibliography</i>	207
<i>Index</i>	223